

Average Tax Refunds Are Up Ten Percent in 2010

Washington, DC - New Yorkers who are still struggling to make ends meet in a recovering economy are seeing relief this tax day through over 25 different tax cuts that Congressman Maurice Hinchey (D-NY) worked to include and voted for as part of the American Recovery and Reinvestment Act and multiple other pieces of legislation. As a result, this year's average tax refund has risen to \$3,036 -- a 10 percent increase over the previous year.

"Many people don't realize that tax relief was the largest piece of the Recovery Act," said Hinchey. "This is one of the most important tax relief bills in American history, and unlike previous cuts, this time working Americans were the primary beneficiaries. Over 95 percent of working families saw immediate relief in their paychecks and many benefited from a series of other generous tax credits that make college more affordable, encourage energy-saving home improvements and incentivize first-time home purchases. New Yorkers should also know that if they missed out on any of these tax cuts, there is still time to amend their 2009 returns."

Unlike the Bush tax cuts which focused on the wealthy, Hinchey has worked to pass more than \$800 billion in broad-based tax relief for working American families. These include the Recovery Act, tax credits to help families and small businesses purchase health insurance, job-creating tax incentives to spur the hiring of out-of-work Americans, and tax credits and accelerated write-offs for small businesses. The relief has been so extensive that Bruce Bartlett, President Reagan's domestic policy advisor, noted "federal taxes are very considerably lower by every measure since Obama became president."

Hinchey outlined a variety of significant tax relief provisions he supported that are reducing the tax burden for New Yorkers and increasing tax refunds:

- The Making Work Pay tax credit – Ninety-five percent of working families are already receiving the Recovery Act's Making Work Pay tax credit of \$400 for an individual or \$800 for married couples filing jointly on their 2009 tax returns. They will continue to see these benefits in 2010. In New York's 22nd Congressional District, represented by Hinchey, 251,000 families are benefiting from the Making Work Pay tax credit.

- Tax credits for college expenses – Families and students are eligible for up to \$2,500 in tax savings under the American Opportunity Credit as well as enhanced benefits under 529 college savings plans, which helps families and students pay for college expenses. More than 4 million additional students will be able to attend college thanks to this tax credit.
- The First Time Homebuyers tax credit – First time homebuyers can get a credit of up to \$8,000, and many current homeowners are eligible for a credit of up to \$6,500 for homes purchased by April 30, 2010 under the First Time Homebuyer tax credit. In New York 58,787 households have already taken advantage of the First Time Homebuyers tax credit.
- Tax credits for energy efficient renovations – Taxpayers are eligible for up to \$1,500 in tax credits for making energy-efficient improvements to their homes, such as adding insulation and installing energy efficient windows.
- The vehicle sales tax deduction – Taxpayers can deduct the state and local sales taxes they paid for new vehicles purchased from February 17, 2009 through December 31, 2009 under the vehicle sales tax deduction.
- Expanded family tax credits – Moderate income families with children may be eligible for an increase in the Earned Income Tax Credit and the additional Child Tax Credit.
- Tax-free unemployment benefits – Individuals who received unemployment insurance in 2009 do not have to pay taxes on the first \$2,400 of such earnings.

Hinchey strongly supported, worked to pass and voted for the broad-based tax relief for working Americans and small businesses that was designed to help the American economy recover from the worst recession since the Great Depression. Those who would like to learn what tax cuts they may qualify for are encouraged to use the online tax calculator provided by the White House at <http://www.whitehouse.gov/recovery/tax-saving-tool>.

